



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 14, 2009

Cheryl Getty, Vice President
SAIC, Inc.
8301 Greensboro Dr.
Mclean, VA 22102

Dear Ms. Getty:

RE: FINAL MONITORING VISIT REPORT for SAIC, Inc. – ET08-0101

Date of the Visit:	4/28/09
Beginning/Ending Time of Visit:	1:00 p.m. – 3:30 p.m.
Date of Last Visit:	09/18/08
Visit Location:	San Diego
Persons in attendance:	Carol Rathburn, Asst. Vice President; Susan Wade, Learning Resource Manager, SAIC; Chris Mangels, VP Contract Administration, TFP (Administrative Subcontractor); and Krista Campion, Contract Analyst, Employment Training Panel
Action Required:	NO

CONTRACT INFORMATION

Term of Agreement:	7/09/07 – 7/08/09	Agreement Amount:	\$633,420
Training Start Date:	7/09/07	No. to Retain:	1,173
Date Training must be Completed:	4/09/07	Range of Hours:	24 – 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	30

ACTION ITEMS REMAINING FROM THE PRIOR VISIT: **None**

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FINAL REPORT SUMMARY

• **HISTORY OF AGREEMENT CHANGES**

The Agreement was executed on 9/14/07. Ms. Wade confirmed that training commenced on this project on 7/09/07 and the last day of ETP training was 4/09/09, which allows for the 90-day retention period to be completed within the term of the Agreement – 7/08/09.

There were no Agreement Modifications or Amendments processed during the term of this Agreement.

• **INTERVIEW WITH CAROL RATHBURN, ASSISTANT VICE PRESIDENT & SUSAN WADE, LEARNING RESOURCE MANAGER**

SAIC provides scientific, engineering, systems integration and technical services and solutions to all branches of the U.S. military and to commercial customers. This project was designed to train approximately 1,173 trainees in Business Skills, Computer Skills, Continuous Improvement and Advanced Technology. Ms. Rathburn reported that SAIC projects to earn approximately 84% of the Agreement amount and that the success of this training project was due to several factors.

First, she stated that the company had the support from SAIC's CEO, the learning department stayed on target and focused on the company's strategic training goals, learned that "the secret to success is organization", and stayed on top of ETP paperwork by processing all paperwork without delay. As a result, Ms. Rathburn and Ms. Wade reported that the ETP training was very beneficial to the company. Specifically, the Cost Point training (Computer Skills) aided employees in how to learn the new Enterprise Resource Management system, which is critical to the jobs of most employees at the company. Program Management Skills improved the Program Managers' job skills which ultimately has improved customer relationships and provided tools to workers to win new customers.

See the projected earnings below.

PROJECT STATUS PROVIDED BY THE CONTRACTOR

Trainees Started Training:	1,784
Enrolled:	1,784
Dropped Following Enrollment:	119
Pending Drops:	860
Completed Training:	770
Completed Retention:	35

PROJECTED EARNINGS / NUMBER TO RETAIN

Mr. Mangels reported that 770 retrainees (66% of planned trainees) have completed the minimum number of hours to qualify for reimbursement, which is confirmed in the ETP class/lab tracking system. The per trainee reimbursement for class/lab training is based on the total actual number of training hours completed for each trainee, provided the minimum (24) and no more than the maximum (200) class/lab training hours are completed, and all other Agreement terms and conditions are met.

The 770 retrainees referenced above have completed from 24 to 200 hours of class/lab, AT and CBT training, for a grand total of 32,313 hours of training; of which 26,555 hours are from Class/lab and AT and 5,758 hours for CBT. This equates to a potential reimbursement of \$533,648 (\$487,584 for class/lab and AT; \$46,064 for CBT), assuming that all Agreement performance requirements are met. This amount is approximately 84% percent of the Agreement amount.

ATTENDANCE ROSTERS

Attendance Rosters reviewed:	9 trainees' rosters covering 10/23/07 – 3/11/09	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
Information contained in rosters reviewed was consistent with the hours reported on-line?			YES

Note: The Analyst discovered some data-entry and documentation errors during the review of records, which were corrected on the day of the visit or shortly thereafter by Training Funding Partners.

ADMINISTRATIVE FINDING / CBT ATTENDANCE DOCUMENTS

During the visit, Mr. Mangels discussed with the Analyst ETP's requirement that all CBT course completion documents contain the signature of an authorized employer representative verifying trainee competency attainment in the specific course at completion of the course, as per Title 22, California Code of Regulations 4442.

On 5/1/09, SAIC submitted a written request to ETP to allow a variation in the employer signature requirement for all CBT courses completed within the term of this Agreement. Specifically, SAIC submitted a document that reflected each CBT course that a trainee has completed, with space at the bottom of each page for the Contractor's initial and the full signature at the end of the document to cover all CBT courses completed.

This variation in the employer signature requirement for CBT was approved by ETP on 5/04/09. However, given that the request was submitted after the end date of training and significantly after some CBT courses were completed – 2007 – 2008), you are advised of this Administrative Finding. In the future, the Contractor should submit requests of this nature prior to the end of training.

CBT

Course Topic List – During the visit Ms. Wade provided the Analyst with a list of the current CBT courses that have been provided to retrainees during the term of this Agreement. This list reflects the name of the Vendor, Course Code, Name of Course and the Standard Number of hours to complete the course. A copy of this eight page document was submitted to the Master File in Sacramento.

AUDIT

SAIC will be notified in writing if this Agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Ms. Campion at 619-686-1917, or at kcampion@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,



Diana Torres, Manager
San Diego Regional Office



Krista Campion, Contract Analyst
San Diego Regional Office

cc: Carol Rathburn, Assistant VP, SAIC
Chris Mangels, VP, TFP
David Guzman, Chief, Program Operations, ETP
Kulbir Mayall, Fiscal Manager, ETP
Stephen Runkle, Audit Manager, ETP
Master File
Project File